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European Communities - Political Assessment

With the recognition by Chancellor Schmidt and President Giscard d'Estaing that maintaining a momentum towards greater European unity is a priority matter for both Germany and France, the EC is operating under as favorable political conditions as it has since its enlargement to nine members in 1973. The Franco-German connection is having an impact in Britain also. While the public remains lukewarm at best towards the EC and important politicians are still hostile, the government seems mindful of the dangers of isolation.

None of this is to say that optimism reigns in Europe over the Community's immediate prospects or the longer-term outlook for political unity. There is, on the one hand, a feeling that "Europe" can--through its economic power and diplomatic skills--play an increasingly significant international role and that the Community, with all its shortcomings, is an important factor in projecting this role.

On the other hand, the Europeans know that the EC is facing new and difficult tasks that contain sizeable risks to European unity and stability. Enlargement of the present membership to include Greece, Portugal, and Spain is a now inescapable project, largely politically motivated on the part of both the community and the candidates, whose economic and institutional consequences are as yet uncertain. Policies that have not worked to narrow economic disparities in a community of nine will be sorely strained by the need to make resource transfers work in an EC with three new, generally poorer, members. Whether enlargement will serve to accelerate a tendency towards a two-tier community or instead lead to greater emphasis on majority voting in the EC Council, together with increased prestige for the Commission, remains one of the crucial unanswered questions.

Concern with keeping a community of twelve members together was one of Commission President Roy Jenkins' motives for pressing his campaign for economic and monetary union. This factor has not been in the foreground of the Schmidt-Giscard promotion of a new "European monetary system," but the potential of a strengthened arrangement to backstop coordination of economic policy in an enlarged EC gives the outcome of the monetary negotiations added importance.

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In any case, despite the persistent skepticism of many officials about a new and stronger linkage of EC currencies, most Europeans see the current effort as potentially marking a significant new commitment to European unity. Internally, agreement may ultimately require pledges of German resources, in particular, that could refresh British interest in the integration process. Externally, a reformed European monetary arrangement would call for enhanced cooperation of the EC members vis-a-vis the US and within the IMF. Meanwhile, the Nine have to balance the desire for a major political forward step with a cautious approach to the details of the system itself: excessive rigidity of a new monetary arrangement could provoke another collapse; too much flexibility might have no integrative effect. Neither situation would do much to promote European unity.

Opportunities and risks of another sort surround the first direct elections to the European Parliament which will take place next June. At a minimum, the 410 delegates with popular mandates should enliven debate in the virtually powerless Parliament and foster wider publicity of community affairs. Beyond this, they may be able to attain more influence for the Parliament in setting priorities for EC decision making. Many observers also believe it likely that a directly elected assembly will strive to increase its responsibilities, including a greater say over the EC budget and an input, perhaps, to the Nine's arrangements for foreign policy cooperation.

The earliest test of the new Parliament will be the vote itself. A poor voter turn-out will not be an encouragement to a more active role. The formation of alliances within the new Parliament will also not be easy, since interest-coalitions may frequently cut across traditional party groupings and, initially at least, will find it difficult to generate corresponding popular support along trans-national lines. Whether or not what some see as the "inevitable" challenge of the new Parliament to national sovereignty takes place--thus touching off a community "constitutional crisis"--the direct elections could lay the foundation for a new dimension to politics within the EC.

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